ADMINISTER GROUP

HALF-YEAR FINANCIAL REVIEW

JANUARY–JUNE 2024

Administer Plc: Half-Year Financial Review 1 January–30 June 2024

Administer Plc: PROFITABILITY IMPROVEMENT ACCELERATED SIGNIFICANTLY – EBITDA INCREASED BY 131%

Figures in parentheses refer to the comparison period in the previous year, unless otherwise stated.

January–June 2024

Key figures

- Net sales were EUR 38.4 million (39.2), showing a decrease of 2.2%. Due to staffing, the Group's net sales are more affected by fluctuations in economic cycles than before.
- EBITDA was EUR 3.6 million (1.6), or 9.4% (4.0%) of the net sales. The company's profitability programme is clearly reflected in the improved EBITDA.
- Operating profit was EUR 0.6 million (–1.3), or 1.6% (–3.3%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR –2.0 million (–2.0) in total.

April–June 2024

Key figures

- Net sales were EUR 19.3 million (19.6), showing a decrease of 1.3%.
- EBITDA was EUR 1.9 million (0.4), or 9.6% (2.3%) of the net sales.
- Operating profit was EUR 0.4 million (–1.0), or 1.9% (–5.1%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR –1.0 million (–1.0) in total.

Key events

- In March 2024, the company published its revised strategy. The strategy is based on profitable growth and efficient use of business synergies, both in the customer interface and in internal processes.
- The improvement in profitability compared to the corresponding period in the previous year demonstrates that the company has succeeded in making a significant turn-around in its profitability development.
- In connection with the repayment of an old, subordinated loan related to Adner, the company signed an agreement that had a one-time positive impact of EUR 0.5 million on the financial income and result of the financial period in the second quarter.
- The company has completed small acquisitions in its accounting firm business and housing management services.

KEY FIGURES

EUR million unless otherwise stated	1–6/ 2024	1–6/ 2023	Change, %	4–6/ 2024	4–6/ 2023	Change, %	1–12/ 2023
Net sales	38.4	39.2	–2.2%	19.3	19.6	–1.3%	75.9
EBITDA	3.6	1.6	131.3%	1.9	0.4	320.5%	2.8
% of net sales	9.4%	4.0%		9.6%	2.3%		3.8%
Operating profit (EBITA) adjusted with amortisation of goodwill	2.6	0.7	276.6%	1.4	–0.0		1.0
% of net sales	6.9%	1.8%		7.1%	–0.1%		1.3%
Operating profit/loss	0.6	–1.3		0.4	–1.0		–3.0
Profit/loss before appropriations and tax	0.6	–1.6		0.6	–1.6		–3.9
Result adjusted with amortisation of goodwill	2.5	0.2		1.5	–0.3		0.1
% of net sales	6.6%	0.4%		7.9%	–1.4%		0.1%
Result for the financial period	0.5	–1.8		0.5	–1.3		–3.9
Earnings per share (EPS)	0.04	–0.13		0.04	–0.09		–0.27
Return on equity (ROE), %	–5.6%	–6.3%		–5.6%	–6.3%		–14.1%
Equity ratio, %	46.4%	46.8%		46.4%	46.8%		44.0%
Debt-to-equity ratio, %	47.0%	51.5%	–8.7%	47.0%	51.5%	–8.7%	53.6%
Personnel on average	1,070	1,026	4.3%	1,088	1,127	–3.5%	1,110

CEO's review

I am extremely pleased with the EBITDA development during the first half of the year. The improvement in profitability compared to the corresponding period in the previous year demonstrates that we have succeeded in making a significant turn-around in our profitability development. Our revised strategy is proving that it works in practice. This is well demonstrated by, for example, the internal synergies in enhancing processes, as well as by the Group's shared customers like Metsäkeskus Forest Centre. The relative improvement in EBITDA is also affected by the cyclical fluctuations in the accounting firm business.

The first half-year period of the year 2024 developed almost as planned. The one deviation from the plan mainly concerned net sales: our net sales decreased by 2.2% to EUR 38.4 million. Due to staffing, the Group's net sales are more affected by fluctuations in economic cycles than before. Our profitability programme is clearly reflected in the improved EBITDA, which amounted to EUR 3.6 million, or 9.4% of net sales.

Administer and the City of Pieksämäki have signed an agreement on Kuntalaskenta becoming a subsidiary of Administer Plc, which previously had a minority ownership in the company. The transaction will be completed during the third quarter. With this change, we can integrate Kuntalaskenta into Administer Group's management system and establish Kuntalaskenta as a responsible and reliable partner in financial management outsourcing in the public sector. This change supports our long-term strategy of being a relevant player as a partner for the public sector, where we see significant growth opportunities in the coming years.

The acquisition of Kuntalaskenta, now a subsidiary of the Group, will change our reporting in that Kuntalaskenta will be consolidated in the Group's figures as of 1 September 2024. This will have a positive effect on our net sales and correspondingly a decreasing effect on the Group's EBITDA, however, the impact is minor.

We have agreed on the repayment of an old, subordinated loan related to Adner, resulting in a one-time positive impact of EUR 0.5 million on the financial income and the result of the financial period in the second quarter. Adner Oy will be merged with the parent company during the latter part of the year, and the financial management outsourcing services offered by Adner to mid-sized companies will continue under the Administer brand.

Announced in March 2024, the Group's revised strategy is based on profitable growth and efficient use of business synergies, both in the customer interface and in internal processes. The strategy clarifies our operations as a group, providing a framework for both growth and operational development. We have four strong primary brands: Silta Oy, Econia Oy, accounting firm Administer, and EmCe Solution Partner Oy. The versatile offering of these companies creates a unique whole, where different services support one another. We are implementing our strategy in all business operations.

The Group's financial development in April–June 2024

In April–June, the Group's net sales were EUR 19.3 million (19.6), showing a decrease of 1.3%. The decline in net sales was mainly due to the reduction in Econia's net sales. In the second quarter, the decrease in net sales levelled off slightly compared to January–March.

In April–June, EBITDA was EUR 1.9 million (0.4), or 9.6% (2.3%) of the net sales. The profitability programme is clearly reflected in the improved EBITDA, and the profitability improvement accelerated in the second quarter.

Business area review

During the review period, the net sales of Silta, which offers payroll and HR services, has continued its positive development. In January–June, the net sales increased by 4.1% and were EUR 13.2 million. In April–June, the net sales increased by 4.6% to EUR 6.7 million. The launch of expert rental services has started off as planned, and the objective is to continue expanding this business. The strategic business projects, such as expanding tailored productizations for different customer groups, are progressing.

The net sales of Econia, which offers HR services and staffing, international services, as well as domestic financial management services, declined by 9.7% to EUR 11.4 million in January–June. In April–June, the net sales declined by 4.5% and were EUR 6.0 million. The cyclical fluctuations in staffing impact the development of net sales. In Compliance services, a significant first step was taken together with a large Finnish energy industry player. Our proprietary Sedatus service platform had an important role in launching this initiative. In the financial management business, we have continued to gain new customers at a steady pace.

The net sales of Administer's accounting firm business grew by 2.6%, amounting to EUR 9.5 million in January–June. In April–June, the net sales declined by 0.3% and were EUR 4.6 million. The accounting firm business has been particularly successful in public competitive tendering related to the outsourcing of the financial management of larger organisations. Expanding the automation of AI-based functions in the eFina system has continued, making the business considerably more effective. The most important strategic initiative is the continuous development of customer satisfaction, and the Group has invested in this initiative in particular during the review period.

In January–June, the net sales of EmCe, which provides software services, decreased by 1.8% to EUR 4.0 million. In April–June, the net sales declined by 1.9% and were EUR 1.9 million. The Business Central ERP business, in particular, has gained new customers. We continued the development of the degree of automation and usability of our own software during the review period. The strategic goal of increasing synergies is reflected especially in the utilisation of EmCe software in the Group's shared customer relationships.

In the current economic climate, organic growth poses a challenge in all our business operations. We seek to find solutions to this by crystallising our own strengths and utilising the Group's synergies more efficiently than before. In line with our strategy, we plan to grow profitably in Finland and selected markets in the

Baltic Sea region, both organically and inorganically. The turn-around in profitability also provides us with better prerequisites for growth through acquisitions.

We can be satisfied with our performance during the first half of the year, and for this, I would like to give special thanks to our excellent staff and all our customers. At the same time, I recognise that we can still significantly improve on our current performance level.

Kimmo Herranen
CEO

Outlook

Administer seeks to continue growth investments as well as organic and inorganic growth in 2024. Administer estimates that its net sales will be EUR 76–81 million and its EBITDA margin will be 6–9% in 2024.

Market environment

Administer operates in the market for services and software for financial and payroll management, as well as HR, staffing, and other professional services supporting the business of companies. Although the market, excluding staffing, is very defensive by nature, economic changes impact the Finnish corporate landscape in general and thereby also the customers of our industries. During the last two years, the macroeconomy has gone through significant changes. After Russia started its war of aggression in early 2022, inflation started to quickly accelerate. The sharp rise in inflation rates forced the European Central Bank to raise its interest rate, which led to a steep rise in all interest rates after the summer of 2022. These factors have had a negative effect on the profitability of the company's business. Also, the uncertainty in the economy has increased.

Net sales and profitability

January–June 2024

Net sales decreased by 2.2% compared to the corresponding period in the previous year and were EUR 38.4 million (39.2). Due to staffing, the Group's net sales are more affected by fluctuations in economic cycles than before. The net sales of the EmCe software business also declined slightly.

Personnel expenses were EUR 26.4 million (28.3), making up 68.7% (72.1%) of the net sales. The impact of the profitability programme is reflected in the reduced personnel costs.

EBITDA was EUR 3.6 million (1.6), or 9.4% (4.0%) of the net sales. The improvement in profitability compared to the corresponding period in the previous year demonstrates that the company has succeeded in making a significant turn-around in its profitability development.

Operating profit adjusted with amortisation of goodwill (EBITA) was EUR 2.6 million (0.7), making up 6.9% (1.8%) of the net sales.

Operating profit was EUR 0.6 million (–1.3), or 1.6% (–3.3%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR –2.0 million (–2.0) in total.

Profit before appropriations and tax was EUR 0.6 million (–1.6) and profit for the review period was EUR 0.5 million (–1.8). Earnings per share (EPS) were EUR 0.04 (–0.13). In connection with the repayment of an old, subordinated loan related to Adner, the company signed an agreement that had a one-time positive impact of EUR 0.5 million on the result of the financial period in the second quarter.

April–June 2024

Net sales decreased by 1.3% compared to the corresponding period in the previous year and were EUR 19.3 million (19.6).

Personnel expenses were EUR 13.4 million (14.5), making up 69.5% (73.8%) of the net sales.

EBITDA was EUR 1.9 million (0.4), or 9.6% (2.3%) of the net sales.

Operating profit adjusted with amortisation of goodwill (EBITA) was EUR 1.4 million (–0.0), making up 7.1% (–0.1%) of the net sales.

Operating profit was EUR 0.4 million (–1.0), or 1.9% (–5.1%) of the net sales. The operating profit was weighed down by amortisation of goodwill from the acquisitions, amounting to EUR –1.0 million (–1.0) in total.

Profit before appropriations and tax was EUR 0.6 million (–1.6) and profit for the review period was EUR 0.5 million (–1.3). Earnings per share (EPS) were EUR 0.04 (–0.9). In connection with the repayment of an old, subordinated loan related to Adner, the company signed an agreement that had a one-time positive impact of EUR 0.5 million on the result of the financial period in the second quarter.

Cash flow and financing

Cash flow

In January–June 2024, cash flow from operations was EUR 1.4 million (2.3). Cash flow from investments was EUR –0.8 million (–1.4) and cash flow from financing EUR –1.0 million (–1.9).

The change in cash and cash equivalents during the review period was EUR –0.5 million (–1.0).

Financing

Interest-bearing debt decreased during the review period and was EUR 13.2 million on 30 June 2024 (31 December 2023: 14.8 and 30 June 2023: 15.2). Debt-to-equity ratio was 47.0% (31 December 2023: 53.6% and 30 June 2023: 51.5%).

The Group’s liquidity has remained good. Administer’s cash and cash equivalents on 30 June 2024 totalled EUR 2.8 million (3.4). On 30 June 2024, the total amount of external financing agreed upon by Administer was EUR 14.8 million, of which drawn loans totalled EUR 13.2 million and loans not drawn totalled EUR 1.6 million. The drawn amount consists of bank loans totalling EUR 13.2 million. Administer’s drawn loans will mature according to a repayment schedule agreed upon with the financiers so that the last instalment of the financing is repaid in November 2028.

Equity was EUR 28.1 million on 30 June 2024 (31 December 2023: 27.5 and 30 June 2023: 29.6) and equity ratio was 46.4% (31 December 2023: 44.0% and 30 June 2023: 46.8%). No dividend was paid for the financial period 1 January–31 December 2023.

Personnel

The Group employed on average 1,070 people (1,026) in January–June 2024 and 1,103 (1,087) at the end of the review period.

Changes in Management Team

There were no changes in the Group Management Team during the review period.

The Group Management Team as of 30 June 2024:

Name	Position
Kimmo Herranen	CEO
Toni Leppänen	Silta Oy
Arttu Eräpalo	Econia Oy
Peter Aho	Administer, Financial Management Services
Markus Backlund	EmCe Solution Partner Oy
Mikko Vahtera	Consultancy Services
Kalle Lehtonen	Finances
Paula Niemi	Personnel

Governance

Annual General Meeting

The 2024 Annual General Meeting of Administer Plc was held in Helsinki on 10 April 2024. The Annual General Meeting adopted the financial statements for the financial year 2023 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting resolved in accordance with the proposal of the Board of Directors that no dividend is paid for the financial period ended on 31 December 2023.

Composition of the Board of Directors

The number of the members of the Board of Directors was confirmed to be six (6). Jukka-Pekka Joensuu, Peter Aho, Risto Koivula, Milja Saksi, Leena Siirala and Minna Vanhala-Harmanen were re-elected as board members.

In its organising meeting, the Board of Directors elected Jukka-Pekka Joensuu as the Chair of the Board of Directors. In addition, the Board of Directors elected Leena Siirala as the Chair and Jukka-Pekka Joensuu and Risto Koivula as members of the Company's Audit Committee.

The Board of Directors as of 10 April 2024:

Name	Function in the Board	Nationality	Year of birth	Year of appointment to the Board
Jukka-Pekka Joensuu	Chair	Finnish	1966	2016
Peter Aho	member	Finnish	1970	1994
Risto Koivula	member	Finnish	1968	2021
Milja Saksi	member	Finnish	1976	2023
Leena Siirala	member	Finnish	1960	2023
Minna Vanhala-Harmanen	member	Finnish	1968	2022

The annual remuneration of the Chair and members of the Board of Directors shall remain unchanged and therefore the Chair of the Board shall be paid an annual remuneration of EUR 50,000 and other members of the Board shall each be paid an annual remuneration of EUR 25,000. Additionally, should the Board of Directors elect a Deputy Chair, the Deputy Chair's annual remuneration shall be EUR 35,000. If a Board member resigns during his/her term of office, the remuneration will be paid in proportion to the term of office actually taken place.

The committee members shall be paid EUR 500 per meeting. Board members' and committee members' travel expenses shall be reimbursed in accordance with the company's travel policy.

Election of the Auditor

Ernst & Young Oy, authorised public accountants, was re-elected as the company's auditor for the term ending at the close of the next Annual General Meeting. Ernst & Young Oy has announced that it will appoint Johanna Winqvist-Ilkka, APA, as the auditor with principal responsibility.

The auditor's fees will be paid against the auditor's reasonable invoice approved by the company.

Authorising the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the company's own shares

In accordance with the Board of Directors' proposal, the Board of Directors was authorised to decide on the repurchase and/or on the acceptance as pledge of a maximum of 1,435,414 of the company's own shares. The proposed number of shares corresponds to approximately ten (10) per cent of all shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorisation.

Own shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The Board of Directors decides how own shares will be repurchased and/or accepted as pledge. Shares can be repurchased using, among other things, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the existing shareholders (directed repurchase).

The authorisation allows the repurchase and/or the acceptance as pledge of shares in order to, among other things, develop the company's capital structure, to finance or implement eventual acquisitions, investments or other arrangements that are part of the business, or to be used in the company's incentive or reward systems.

The authorisation is effective until the end of the next Annual General Meeting; however, no longer than until 30 June 2025.

Authorising the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares

The Board of Directors was authorised to decide on the issuance of shares and other special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act. The authorisation covers a maximum of 1,435,414 shares, which corresponds to approximately 10 per cent of all shares in the company.

The Board of Directors decides on all terms of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

The authorisation is effective until the end of the next Annual General Meeting; however, no longer than until 30 June 2025.

Product development

The proprietary technology Administer uses for producing services and developing software requires considerable investments in research and development. In the company's view, automation and artificial intelligence will steer payroll and financial management services in the future, which is why Administer is investing significantly in technology development. In January–June 2024, product development expenses amounting to EUR 0.6 million (1.1) were capitalised in the balance sheet.

Expanding the automation of AI-based functions in the eFina system has continued, making the business considerably more effective.

Administer continued the development of the degree of automation and usability of its own software during the review period. In the new software version to be published in autumn, even more attention has been paid to increasing the degree of automation.

During the first part of the year, the Sedatus system, aimed at preventing grey economy and managing subcontracting chains, has been updated with several new customer-facing functionalities and its usability has been improved with regard to contractors and service production.

Significant events in the review period

Administer strengthened its business in Vaasa by acquiring the business of Pohjanmaan Laskenta Oy

In January 2024, Administer and Pohjanmaan Laskenta Oy agreed on an acquisition under which Administer acquired the business of Pohjanmaan Laskenta Oy, operating in the Vaasa region. Administer has an existing office in Vaasa, and the acquisition strengthens the company's regional operations.

Econia bolstered its housing management services by acquiring the business of Optimi Isännöinti Oy

Econia acquired the business of Optimi Isännöinti Oy, which operates in the Satakunta region. The acquisition bolsters Econia's housing management services offering.

An agreement on the repayment of a subordinated loan, Adner to merge with the parent company

Administer has agreed on the repayment of an old, subordinated loan related to Adner, resulting in a one-time positive impact of EUR 0.5 million on the financial income and the result of the financial period in the second quarter. Adner Oy will be merged with the parent company during the latter part of the year, and the financial management outsourcing services offered by Adner to mid-sized companies will continue under the Administer brand.

Shares and share capital

At the end of June 2024, Administer's share capital was EUR 80,000 and the total number of outstanding shares in the company was 14,354,144.

On 2 January 2024, the Board of Directors resolved on a directed share issue of a total of 24,730 shares to Pohjanmaan Laskenta Oy to pay an additional purchase price based on the authorisation given by the Annual General Meeting on 16 May 2023. Consequently, the number of shares in Administer increased to 14,354,144 shares.

The company had 1,816 (2,053) shareholders at the end of the review period.

Share trading volume between 1 January and 30 June 2024 totalled 296,624 shares, corresponding to EUR 0.7 million. The highest trading price was EUR 2.73 and the lowest was EUR 2.30. The closing price at the end of the review period was EUR 2.40, and the market value based on the closing price was approximately EUR 34.5 million.

Risks and near-term uncertainties

Interruptions or disturbances in Administer's IT, network or communication systems may lead to unforeseen costs and malfunctions and be detrimental to the business operations of the company or its customers. Data security breaches targeted at IT systems and data links, or other data security breaches, may be detrimental to Administer or its customers and negatively impact Administer's business.

Administer's field of business is competitive, and the competition is fragmented, which may have a negative impact on the company's operations if Administer is unable to respond to competitor pricing or service quality or fails to develop new products or services.

Corporate acquisitions are an important part of the company's growth strategy. Administer may fail in integrating corporate acquisitions or finding new acquisition targets or an acquisition may fail.

Administer's brand and reputation are important competitive advantages, and reputation damage might have negative impacts on Administer's business and market position.

There are still uncertainties relating to the development of the Finnish economy, as economic growth turned negative in the latter half of 2022. Administer has no business operations in Russia or Ukraine, but the reduced financial activity may also have negative impacts on Administer's net sales and result through customer companies.

The acceleration of inflation in Finland may also be reflected in wages and, together with personnel turnover, increase Administer's expenses and weaken profitability if the company is not able to transfer the increased expenses into the prices of the services it produces. The acceleration of inflation may also increase interest rates and thereby impact the price of external funding of Administer.

The company may not succeed in acquiring funding with affordable terms or at all, and its financing expenses may increase. Also, breaching the covenants included in the credit agreements of the company and its Group companies may complicate the availability of funding for the company, increase the company's financing expenses, or lead to premature maturity of the Group's loans.

Significant events after the review period

Administer to acquire the majority of shares in Kuntalaskenta Oy

In July, Administer submitted a bid to the City of Pieksämäki for the shares in Kuntalaskenta Oy. The transaction is expected to take place in early autumn, and a part of the total price is intended to be paid with Administer Plc shares through a directed share issue.

With the acquisition, 40.1 per cent of the shares of Kuntalaskenta will be transferred to Administer Plc. The purchase price is EUR 120,000, of which EUR 50,000 will be paid with Administer Plc shares. After the acquisition, Administer Plc's share of ownership of Kuntalaskenta Oy's shares will be 90 per cent. The remaining 10 per cent of the shares of Kuntalaskenta still under the ownership of the City of Pieksämäki will be acquired at market price in three years' time on the basis of a predetermined valuation principle. Previously, Administer Plc was a minority shareholder in Kuntalaskenta.

Administer strengthened its accounting firm business in Tampere by acquiring the business of Tampereen Erikoiskirjanpito Oy

In July 2024, Administer and Tampereen Erikoiskirjanpito Oy agreed on an acquisition under which Administer acquired the business of Tampereen Erikoiskirjanpito Oy, which operates in the Tampere region. Administer has an existing office in Tampere, and the acquisition strengthens the company's regional operations.

Administer Plc
Board of Directors

More information

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Webinar

CEO Kimmo Herranen and CFO Kalle Lehtonen will present the result in a webinar on 15 August 2024 at 11:00 a.m. EEST. Questions can be sent during the event via the chat function.

You can join the webinar at https://administer.videosync.fi/q2-2024.

A recording will be available after the event at https://administergroup.com/en/investors/.

ADMINISTER GROUP HALF-YEAR FINANCIAL REVIEW JANUARY–JUNE 2024 AND NOTES TO THE FINANCIAL STATEMENTS

The half-year financial review release has been prepared based on the Accounting Act of Finland and FAS (Finnish Accounting Standards). The information presented in the half-year financial review is unaudited.

CONSOLIDATED INCOME STATEMENT

(TEUR)	1.1.–30.6.		1.4.–30.6.		1.1.-31.12.	
	2024	2023	2024	2023	2023	2022
NET SALES	**38,372**	**39,243**	**19,330**	**19,594**	**75,886**	**52,778**
Other operating income	78	192	43	118	453	121
Materials and services						
Purchases	-3,111	-3,147	-1,603	-1,597	-6,649	-6,088
External services	-972	-1,122	-349	-570	-1,743	-1,057
Total	-4,083	-4,268	-1,952	-2,167	-8,392	-7,145
Personnel expenses						
Salaries and wages	-22,130	-23,444	-11,222	-12,003	-45,749	-28,886
Social security costs						
Pension costs	-3,661	-3,944	-1,944	-1,981	-7,893	-4,930
Other expenses related to personnel	-573	-891	-264	-472	-1,764	-1,065
Total	-26,364	-28,279	-13,430	-14,456	-55,405	-34,881
Depreciation, amortization and impairment						
Amortization of goodwill	-2,024	-1,976	-1,012	-990	-3,956	-239
Other depreciations according to plan	-966	-857	-488	-457	-1,845	-1,096
Impairment	0	0	0	0	-1	0
Total	-2,990	-2,832	-1,500	-1,446	-5,803	-1,336
Other operating expenses	-4,222	-5,266	-2,057	-2,629	-9,509	-7,135
Share of results of affiliates	-184	-67	-72	-18	-184	26
OPERATING PROFIT (LOSS)	**608**	**-1,277**	**362**	**-1,004**	**-2,954**	**126**
Financial income and expenses						
Other interest and financial income	465	22	458	16	39	78
Other interest and financial income	0	0	0	0	-115	-85
Interest and other financial expenses	-458	-334	-246	-177	-909	-399
Total	7	-312	212	-160	-985	-406
PROFIT BEFORE APPROPRIATIONS AND TAX	**615**	**-1,589**	**574**	**-1,164**	**-3,939**	**-279**
Income tax	-95	-191	-61	-61	83	-405
Income tax	0	-26	0	-26	0	0
Minority interest	-15	-15	-6	-10	-30	-18
PROFIT (LOSS) FOR THE PERIOD	**504**	**-1,821**	**507**	**-1 261**	**-3,886**	**-703**

CONSOLIDATED BALANCE SHEET

(TEUR)	30.6.		31.12.	
	2024	2023	2023	2022
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Development expenditures	4,724	3,706	4,421	3,122
Intangible rights	54	258	96	355
Consolidated goodwill	33,695	36,599	35,628	38,475
Goodwill	3,352	3,576	3,675	3,639
Other capitalised long-term expenditures	891	1,205	1,125	1,210
Total	42,715	45,344	44,945	46,802
Tangible assets				
Land and water areas	36	36	36	36
Buildings and structures	223	232	227	237
Machinery and equipment	749	648	701	605
Other tangible assets	11	11	11	11
Total	1,019	928	976	890
Investments				
Shares in affiliated companies	125	243	126	310
Other shares	187	308	193	308
Total	312	551	319	618
NON-CURRENT ASSETS, TOTAL	**44,047**	**46,823**	**46,240**	**48,309**
CURRENT ASSETS				
Receivables				
Non-current				
Trade receivables	0	0	0	2
Other receivables	74	91	76	105
Total	74	91	76	107
Current				
Trade receivables	10,703	10,419	10,986	10,992
Loan receivables	20	25	22	28
Other receivables	536	606	286	371
Prepayments and accrued income	2,379	1,758	1,662	1,646
Total	13,639	12,808	12,956	13,037
Cash and cash equivalents	2,786	3,384	3,262	4,412
CURRENT ASSETS, TOTAL	**16,498**	**16,283**	**16,294**	**17,664**
TOTAL ASSETS	**60,545**	**63,106**	**62,534**	**65,973**

(TEUR)	30.6.		31.12.	
	2024	2023	2023	2022
EQUITY AND LIABILITIES				
EQUITY				
Share capital	80	80	80	80
Other reserves	30,609	30,609	30,609	30,609
Retained earnings (loss)	-3,110	695	699	2,135
Profit (loss) for the period	504	-1,821	-3,886	-703
TOTAL EQUITY	**28,083**	**29,563**	**27,501**	**32,121**
MINORITY INTEREST	**48**	**36**	**33**	**21**
ACCRUED APPROPRIATIONS	**0**	**0**	**0**	**0**
STATUTORY PROVISIONS	**0**	**0**	**0**	**0**
LIABILITIES				
Non-current				
Capital loan	0	500	500	500
Loans from financial institutions	8,976	10,773	8,964	12,194
Other liabilities	28	2,015	1	2,022
Total	9,004	13,288	9,465	14,715
Current				
Loans from financial institutions	4,256	3,977	5,288	3,730
Trade payables	3,968	3,485	5,546	3,897
Other liabilities	5,949	3,649	6,059	3,381
	0	0	0	0
Accrued expenses and deferred income	9,236	9,109	8,642	8,107
Total	23,410	20,220	25,535	19,116
TOTAL LIABILITIES	**32,414**	**33,507**	**35,000**	**33,831**
TOTAL EQUITY AND LIABILITIES	**60,545**	**63,106**	**62,534**	**65,973**

CONSOLIDATED STATEMENT OF CASH FLOW

The primary sources of Administer's liquidity are cash flow from operating activities and external financing agreements, including credit limits, and funds raised in the IPO.

	1 Jan - 30 Jun		1 Jan - 31 Dec	
(TEUR)	**2024**	**2023**	**2023**	**2022**
Cash flow from operating activities	1,362	2,294	5,422	2,351
Cash flow from investment activities	-796	-1,413	-4,145	-22,827
Cash flow from financing activities	-1,042	-1,909	-2,428	12,048
Change in cash and cash equivalents	**-476**	**-1,028**	**-1,150**	**-8,428**
Cash and cash equivalents at the beginning of period	3,262	4,412	4,412	12,840
Cash and cash equivalents at the end of period	2,786	3,384	3,262	4,412

COVENANTS

Administer's financial agreements include bi-annually reviewed covenants related to interest-bearing debts. Interest-bearing liabilities to EBITDA ratio shall not be higher than 3,15 when reviewed June 30, 2023, and not higher than 2,75 when reviewed bi-annually thereafter. Additionally, the equity ratio shall be at least 35% when reviewed bi-annually. Administer fulfilled covenants during the reporting and comparison period.

CONSOLIDATED CHANGES IN EQUITY

(TEUR, unless otherwise indicated)	Share capital	Other reserves	Retained earnings (loss)	Total equity
Equity 1 January, 2023	80	30,609	1,433	32,121
Profit (loss) for the period			-1,821	-1,821
Translation differences			-10	-10
Dividend decision			-728	-728
Equity 30 June, 2023	80	30,609	-1,126	29,563

(TEUR, unless otherwise indicated)	Share capital	Other reserves	Retained earnings (loss)	Total equity
Equity 1 January, 2024	80	30,609	-3,188	27,501
Profit (loss) for the period			504	504
Translation differences			77	77
Equity 30 June, 2024	80	30,609	-2,606	28,083

KEY FIGURES

Administer presents alternative performance measures for the time period covered by the historical financial information supplementing the key figures presented in Administer's income statements, balance sheets and cash flow statements prepared in accordance with the FAS. The alternative performance measures should not be considered separately from the key figures prepared in accordance with the FAS or as substitutes for them. These alternative performance measures and their purpose are described in the section "Definitions and calculation of certain alternative key figures and other key figures".

(TEUR, unless otherwise indicated)	1.1.–30.6.		1.4.–30.6.		1.1.–31.12.	
	2024	2023	2024	2023	2023	2022
Net sales	38,372	39,243	19,330	19,594	75,886	52,778
EBITDA	3,598	1,556	1,861	443	2,849	3,765
EBITDA, %	9,4 %	4,0 %	9,6 %	2,3 %	3,8 %	7,1 %
Operating profit adjusted by amortization of goodwill	2,632	699	1,374	-14	1,002	2,668
Operating profit adjusted by amortization of goodwill, %	6,9 %	1,8 %	7,1 %	-0,1 %	1,3 %	5,1 %
Operating profit (loss)	608	-1,277	362	-1,004	-2,954	126
Operating profit (loss), %	1,6 %	-3,3 %	1,9 %	-5,1 %	-3,9 %	0,2 %
Profit before appropriations and tax	615	-1,589	574	-1,164	-3,939	-279
Profit (loss) for the period	504	-1,821	507	-1,261	-3,886	-703
Profit (loss) adjusted with amortization of goodwill	2,528	155	1,519	-271	70	1,839
Profit (loss) adjusted with amortization of goodwill, %	6,6 %	0,4 %	7,9 %	-1,4 %	0,1 %	3,5 %
Earnings per share (EPS)	0,04	-0,13	0,04	-0,09	-0,27	-0,05
Return on equity, % (ROE)	-5,6 %	-6,3 %	-5,6 %	-6,3 %	-14,1 %	-2,0 %
Equity ratio, %	46,4 %	46,8 %	46,4 %	46,8 %	44,0 %	48,7 %
Debt-to-equity ratio, %	47,0 %	51,5 %	47,0 %	51,5 %	53,6 %	51,1 %
Net sales growth, %	-2,2 %	64,1 %	-1,3 %	71,2 %	43,8 %	25,9 %
Number of personnel	1,103	1,087	1,103	1,087	1,110	657
Net sales per employee	35	36	18	18	68	80
Personnel expenses per employee	-24	-26	-12	-13	-50	-53
Ratio of personnel expenses to net sale, %	68,7 %	72,1 %	-69,5 %	-73,8 %	73,0 %	66,1 %

CALCULATION OF KEY FIGURES

Key figure	Definition	Purpose
EBITDA	Operating profit (loss) + depreciation, amortization and impairment	Describes profitability of the operations without the effect of depreciation, amortization and impairment.
EBITDA, %	$\frac{\text{EBITDA}}{\text{Net sales}} \times 100$	Describes the ratio of EBITDA to net sales.
Operating profit adjusted with amortization of goodwill	Operating profit (loss) + amortization of goodwill	Describes the performance of the business excluding the impact of amortization of goodwill.
Operating profit adjusted with amortization of goodwill, %	$\frac{\text{Operating profit adjusted by amortization of goodwill}}{\text{Net sales}} \times 100$	Describes the share of operating profit in net sales excluding the impact of amortization of goodwill.
Operating profit (loss)	Net sales + other operating income – materials and services – personnel expenses – other operating expenses – depreciation, amortization and impairment	Operating profit (loss) describes the profitability of the operations.
Operating profit (loss), %	$\frac{\text{Operating profit (loss)}}{\text{Net Sales}} \times 100$	Describes the ratio of operating profit to net sales.
Profit adjusted with amortization of goodwill	Profit (loss) for the financial period + amortization of goodwill	Describes the profit of the operations without the effect of amortization of goodwill.
Profit adjusted with amortization of goodwill %	$\frac{\text{Profit adjusted by amortization of goodwill}}{\text{Net sales}} \times 100$	Describes the share of operating profit in net sales excluding the impact of amortization of goodwill.
Earnings per share (EPS)	$\frac{\text{Profit (loss) for the financial period without minority interest}}{\text{Average number of outstanding shares during the financial period adjusted with share issue}} \times 100$	Describes the share of profit (loss) for the financial period in proportion to weighted average number of shares outstanding
Return on equity, % (ROE)	$\frac{\text{Profit (loss) for the financial period (rolling 12 months)}}{\text{Average equity (rolling 12 months)}} \times 100$	Measures the result for the period in relation to equity. Average equity is an average of equity at the beginning of and at the end of a financial period.

Equity ratio, %	$\frac{\text{Equity at the end of period}}{\text{Total assets at the end of period – advances received}} \times 100$	Describes the ratio of Administer’s assets to equity
Debt-to-equity ratio, %	$\frac{\text{Interest-bearing liabilities}}{\text{(Equity + goodwill + minority interest+ accrued appropriations)}} \times 100$	Reflects the total amount of Administer’s external debt financing.
Net sales growth %	$\frac{\text{Net sales for the period – net sales for the reference period}}{\text{Net sales for the reference period}} \times 100$	Describes operating growth between periods.